

## Message Text

UNCLASSIFIED

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ACTION EA-09

INFO OCT-01 ISO-00 EB-08 /018 W

-----300042Z 047689 /15

R 290558Z APR 77

FM AMEMBASSY SEOUL

TO USDOC WASHDC

INFO SECSTATE WASHDC 3558

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMCONSUL HONG KONG

UNCLAS SEOUL 3514

E.O. 11652: N/A

TAGS: BENC, KS

SUBJECT: MAJOR PROJECT - IBRD FOURTH EDUCATION LOAN - VOCATIONAL  
TRAINING

REF: SEOUL 0365

1. THE ROK OFFICE OF LABOR AFFAIRS (OLA) IS NEGOTIATING A LOAN OF APPROXIMATELY DOLLARS 23 MILLION FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD) TO SET UP PUBLIC VOCATIONAL TRAINING CENTERS IN EIGHT CITIES IN KOREA. THE EIGHT CITIES WHERE THE VOCATIONAL TRAINING CENTERS ARE TO BE ESTABLISHED ARE PYUNGTAIK, HONGSUNG, KIMHAE, CHUNGMOO, NAJOO, NONSAN, KIMCHON AND WONJU.

2. IMPLEMENTING OFFICE: MR. HONG, JONG-RAE, DIRECTOR,  
VOCATIONAL TRAINING BUREAU,  
OFFICE OF LABOR AFFAIRS,  
SEOUL, KOREA

3. COST AND FINANCING: TOTAL PROJECT COSTS ARE PRESENTLY ESTIMATED AT DOLLARS 50 MILLION. FOREIGN EXCHANGE COSTS OF UNCLASSIFIED

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DOLLARS 23 MILLION (ORIGINALLY ESTIMATED AT DOLLARS 30 MILLION) WILL FINANCE THE CONSTRUCTION COSTS OF CIVIL WORKS AND IMPORT OF EQUIPMENT (ESTIMATED AROUND DOLLARS 10 MILLION). NO FOREIGN CONSULTANT SERVICES REQUIRED. ROKG HAS NOT YET ARRANGED FINANCING FOR FOREIGN EXCHANGE COSTS ON THIS PROJECT. HOWEVER, BOTH THE KOREAN ECONOMIC PLANNING BOARD (EPB) AND OFFICE OF LABOR AFFAIRS (OLA) OFFICIALS INDICATED THAT THE FOREIGN CURRENCY PORTION OF

PROJECT COSTS (DOLLARS 23 MILLION) WILL BE OBTAINED IN A LOAN FROM THE IBRD.

4. EXPECTED BID DATES: UNKNOWN, DEPENDS ON AVAILABILITY OF THE FOREIGN EXCHANGE FINANCING. A FORMAL LOAN REQUEST FOR SUBJECT PROJECT WAS MADE TO IBRD BY THE ROK ECONOMIC PLANNING BOARD RECENTLY AND IS UNDER REVIEW BY IBRD. THE ROKG HOPES TO CONCLUDE A FORMAL LOAN AGREEMENT BY THE END OF CY 1977. ESTIMATED DATE FOR PROCUREMENT OF EQUIPMENT FOR THIS PROJECT WILL BE EARLY PART OF 1978 OR MID 1978.

5. POTENTIAL U.S. SALES: ITEMS TO BE PURCHASED FOR THE SUBJECT PROJECT INCLUDE: MISCELLANEOUS COMMON LABORATORY AND WORKSHOP EQUIPMENT FOR VOCATIONAL TRAINING RELATED TO MILLING, GENERAL FITTING, WELDING, SHEET METAL, PIPE FITTING AND ELECTRIC FITTING.

6. POST COMMENTS: THIS PROJECT SHOULD NOT BE CONFUSED WITH THE PROJECT REPORTED IN SEOUL'S CABLE 0365 OF JANUARY 14, 1977. ACCORDING TO ROKG OFFICIALS, CONSTRUCTION CONTRACTS FOR ALL PREVIOUS CIVIL WORKS OF THIS TYPE HAVE BEEN HANDLED BY LOCAL CONSTRUCTION CONTRACTORS. EQUIPMENT IMPORTS ARE GENERALLY DECIDED BY INTERNATIONAL COMPETITIVE BIDDING THROUGH THE OFFICE OF SUPPLY, GOVERNMENT OF THE REPUBLIC OF KOREA (OSROK). BID SPECIFICATIONS WILL BE MATTER OF CONSULTATION BETWEEN THE ROKG AND THE LENDING BANK (IBRD). OLA, HOWEVER, IS LIKELY TO PREPARE SPECIFICATIONS FOR THE EQUIPMENT AND SUBMIT THEM TO THE LENDING BANK FOR CONCURRENCE BEFORE THE BID DOCUMENTS IS ISSUED BY OSROK. EMBASSY WILL FOLLOW THIS PROJECT CLOSELY FOR UNCLASSIFIED

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FURTHER DEVELOPMENTS.  
SNEIDER

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NNN

## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
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